BRITISH COLUMBIA

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highlights

a weekly digest of recently released British Columbia statistics

Consumer Prices

- **British Columbia's consumer price index (CPI) was 0.1% lower in February than in the same month last year.** This was the first time that there has ever been a year-over-year decline in the province's all-items CPI. Factors contributing to the drop in the overall price level included lower shelter costs (-2.4%) and a 1.1% drop in the cost of transportation. Offsetting these were increases in the cost of household operations (+3.9%), health and personal care (+1.4%), clothing and footwear (+1.3%), alcohol and tobacco (+1.1%) and food (+0.8%).

  Source: Statistics Canada

- **BC was the only province where there was price deflation in February, but Alberta (+0.1%) recorded almost no change in its overall price level.** In the rest of Canada, price level increases ranged from 0.6% in PEI to 1.5% in Quebec. The national average was 1.0%.

  Source: Statistics Canada

Earnings of Men and Women

- **During 1996, women working full-year, full-time in BC earned an average income of $33,008, more than in any other province.** Men ($44,741) also earned more, on average, than residents of other provinces. BC workers employed part-time, or for less than a full year earned an average $14,668 if they were male and $11,189 if they were female. These were also the highest average earnings in the country.

  Source: SC, Catalogue 13-217-XPB

- **BC women working full-year, full-time during 1996 earned 74% as much, on average, as men.** The earnings gap (percentage difference in wages) between men and women was 26%, slightly less than the national average (27%). The earnings gap between men and women was smallest in PEI (23%) and largest in Alberta (33%).

  The earnings gap has narrowed significantly during the last decade. In 1986, women working full-year, full-time earned 63% as much as men working similar hours, giving the province an earnings gap of 37%. In that year, Nova Scotia (38%) was the only province where the difference between the earnings of men and women was larger than in BC. By 1996, PEI (23%), Quebec (24%) and Manitoba (25%) were the only provinces with a smaller earnings gap than in BC (26%).

  Source: SC, Catalogue 13-217-XPB

Labour Market

- **The number of regular employment insurance (EI) beneficiaries in British Columbia increased 2.5% to 67,380 (seasonally adjusted) in January.** BC, Quebec (+3.8%), and New Brunswick (+2.8%) were the only provinces where there were more EI beneficiaries in January than in the previous month. Nationally, the number of EI beneficiaries was up 0.6% to 565,690. *Source: Statistics Canada*

- **Average weekly earnings in British Columbia increased 0.4% (seasonally adjusted) between December and January, rising to $616.** This was above the Canadian average ($605), but less than in NWT ($722), Yukon ($704) and Ontario ($649). Residents of PEI ($479) and Nova Scotia ($502) had the lowest average weekly earnings in the country.

  Source: Statistics Canada

Report **Public Sector Employment**

Did you know...?

Eighty percent of Canadians surveyed in 1996 thought the police in their area were doing a good job of controlling crime. The average for residents of 11 industrialized countries was 62%. Police in the Netherlands had the lowest satisfaction rating (45%); Canada and USA (77%) had the highest ratings.

Absence from Work

- **Workers in British Columbia (8.8 days) and Quebec (8.4) lost more time from work for personal reasons last year than residents of other Canadian provinces.** Alberta (6.5) and Ontario (6.6) had the lowest number of days lost from work during 1997. The national average was 7.4 days–6.2 for illness or disability and 1.2 for personal or family responsibilities. In BC, workers lost an average 7.3 days per year due to illness or disability and 1.5 as a result of personal or family responsibilities.

  Source: SC, Catalogue 75-001-XPE

- **Canadian workers covered by a union contract missed almost twice as many workdays for personal reasons as their non-unionized counterparts (10.7 versus 5.6 days) during 1997.** Absence from work due to personal reasons was also more prevalent in larger firms. Workers in firms with more than 500 employees lost an average 9.0 days last year, compared to 6.2 days in firms with fewer than 20 employees. Unionized workers, and those employed by large firms, are more likely to have paid sick leave than those working in smaller establishments. Thirty-four percent of Canadian workers, and 37% of those in British Columbia, are unionized.

  Source: SC, Catalogue 75-001-XPE

Department Store Sales

- **Department store sales in British Columbia and the two territories were 4.5% higher in February than in the same month last year.** The increase in sales was by far the lowest in the country. Nationally, sales were up 13.1%, and they rose more than ten percent in every other province except Manitoba (+7.5%). Alberta (+18.8%) and Newfoundland and PEI (+22.2%) posted the strongest gains. *Source: Statistics Canada*

Film, Video and Audio-Visual Production

- ***Canadian* film and video producers operating in British Columbia produced 1,179 films and videos during 1995/96.** Total revenues for the industry were $53.5 million, which was significantly less than the $73.9 million earned in the previous year. The number of productions was also well below the level in 1994/95 (1,641).

  These figures include films and videos made by Canadian producers. They exclude location shootings in Canada by foreign film producers; National Film Board productions; and in-house productions made by TV stations, which are an important segment of BC's film and video industry. BC Film Commission data (which include these productions) show steady growth in the industry during recent years.

  Source: Statistics Canada, BC STATS

Crime

- **One in four Canadian adults reported being victimized by crimes ranging from robbery and assault to theft and vandalism during 1995, according to an international survey.** This was below the average (31%) for the 34 countries that took part in the survey. People reported the lowest victimization rates in the Philippines (11%), Northern Ireland (17%), Austria (19%) and Finland (19%). Victimization rates were highest in Argentina (60%), Brazil (48%), Zimbabwe (48%) and Uganda (43%). Canadians (25%) were slightly more likely than Americans (24%) to be victims of a crime. Victimization rates were generally lowest in western countries and highest in South America, Africa and countries in the former Eastern Bloc.

  Source: SC, Juristat, Cat 85-002-XPE, Vol 18, No 6

- **Survey results suggest that only 55% of victimization incidents in 11 industrialized countries are reported to the police.** The highest reporting rates are in England and Wales (60%), Sweden, Scotland and Northern Island (all at 59%). The lowest reporting rates are in Austria (47%), Finland (48%), Canada (52%) and Switzerland (52%). Property crimes are more likely to be reported than crimes against the person. Reporting rates in the 11 industrial countries ranged from 20% for sexual assault to 94% for car theft.

  Source: SC, Juristat, Cat 85-002-XPE, Vol 18, No 6

highlights, Issue 98-12
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For data originating from Statistics Canada: data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the publication name or catalogue number.

Infoline Report:

March 27, 1998

Public Sector Employment

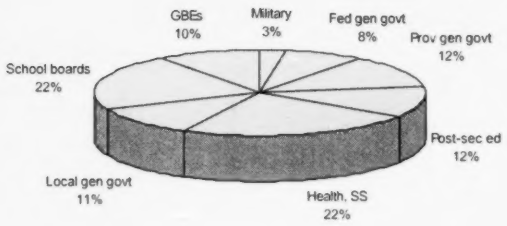
Originally published in January 1998 issue of *Business Indicators*. An annual subscription is $60 + GST

The composition of BC's public sector*

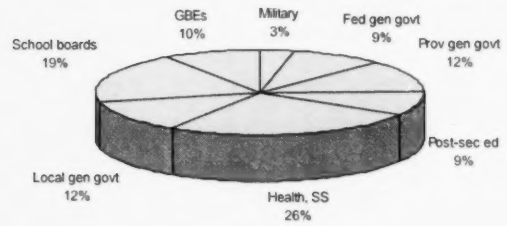
British Columbia's public sector employed 350,550 people–about a fifth of the province's workforce–in 1996. This represented a 1.3% increase over the previous year, when public sector employment stood at 346,030. This includes employment in federal, provincial and local government ministries, agencies and crown corporations, as well as employment in publicly operated or funded health, social services, and educational institutions.

The composition of BC's public sector is quite similar to the national average

Employment in BC's public sector



Employment in the Canadian public sector



For the country as a whole, public sector employment in 1996 stood at 2,870,527 people, or just over a fifth of total employment. Relative to the previous year, public sector employment for all of Canada declined 3.0% in 1996.

British Columbia's public sector is comparable to the Canadian average in terms of its makeup. About a third (31% in BC and 33% in Canada) of public sector employment is in general government–those employed in the day to day operations of federal, provincial and local governments. Military employees make up 3% of the public sector workforce and about 10% are employed by crown corporations, or government business enterprises (GBEs). Where the province differs slightly from the national average is in the relative size of its education sector: schools and post-secondary institutions employ 34% of the public sector workforce in BC, but 28% nationally. In addition, health and social service workers made up 22% of BC's public sector workforce in 1996, but 26% of the Canadian public sector in that year.

The demand for many of the goods and services produced by the public sector–health care, education, and other public services such as protection and welfare–increases as the population grows. This means that some changes in public sector employment are population driven, while others are due to changes in the role government takes in the marketplace. These effects can be distinguished by normalizing public sector employment using population. On a per capita basis, changes in public sector employment would then indicate whether the size of government is shrinking or growing over time.

**The employment figures used in this article come from the Public Institutions Division of Statistics Canada*

Relative to its population, BC's public sector is the second smallest in the country

Relative to its population, British Columbia had one of the smallest public sectors in the country in 1996. There were 91 public sector workers for every 1,000 residents of the province in that year. This compares to a national average of 96, and employment to population ratios ranging from 87 per 1,000 in Ontario to 118 in Manitoba (North-

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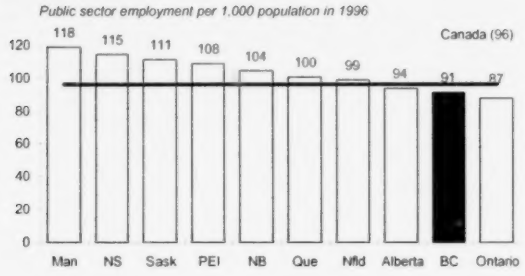
west Territories and Yukon are excluded from the comparisons in this paper, as their very small population size gives the two territories a disproportionately high employment to population ratio). Ontario (87), BC (91) and Alberta (94) were the only provinces where the employment to population ratio was below the national average.

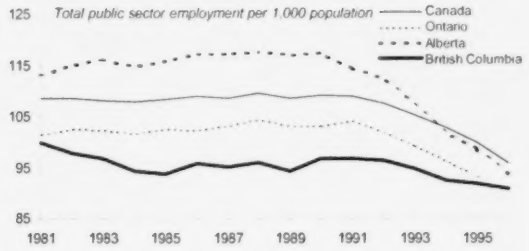
Ontario, BC and Alberta were all below the national average in 1996



Given the fact that three of the country's four largest provinces have below-average employment to population ratios, it is likely that economies of scale in the delivery of some public services are responsible for at least some of the differences between provinces. However, it is difficult to determine how important economies of scale have been over time, as Alberta has not always had a lower ratio than the rest of the country. In 1981, Alberta's public sector employed 113 people per 1,000 population. This was above the Canadian average (108). In that year, two small provinces–Newfoundland (96) and PEI (99)–as well as BC (100) and Ontario (102) had fewer public sector employees than the Canadian average.

During recent years, there has been a steady downward trend in per capita public sector employment in most parts of the country. Compared to 1981, Prince Edward Island (+9.9%) and Newfoundland (+3.3%) were the only regions where the number of public sector employees per 1,000 population was higher in 1996 than in 1981. Nationally, the figure was 11.7% lower, and BC's public sector employment to population ratio declined 9.0% during this period.

BC's per capita public sector employment has declined only moderately since 1981



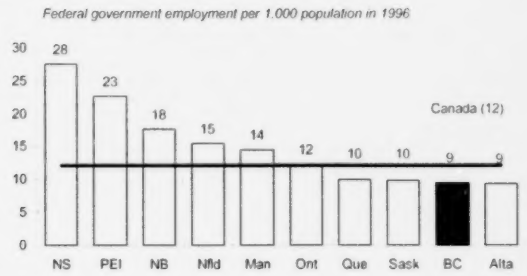
In absolute terms, employment in Canada's public sector has been contracting since the beginning of this decade. The total number of public sector employees has declined in most parts of the country. British Columbia is the only province where the size of the public sector has continued to grow. However, compared to its population, the number of public sector employees in the province has historically been lower than in other parts of the country, and public sector employment has increased less than the province's population. As a result, BC has experienced a slight decline in per capita public sector employment since 1991. Despite a sharp drop in the public sector employment to population ratio at the national level, BC remains below the Canadian average.

The next two sections of this article describe trends in federal, provincial and local government employment, excluding crown corporations.

Employment in the federal public sector has been falling

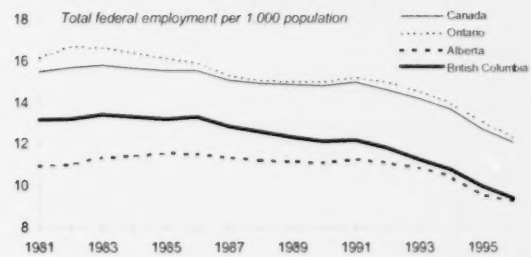
The federal public sector employed 36,170 British Columbians in 1996. Of this total, 27,323 were employed in federal general government, and 8,847 were military employees. Nationally, there were 267,846 employees of departments and agencies, and 93,551 Canadians who worked for the military in 1996. Federal government employment in BC and in the country as a whole has been declining steadily since the beginning of the decade.

On a per capita basis, Nova Scotia has the highest concentration of federal government employees in Canada



There were 9 federal government (including military) workers for every 1,000 British Columbia residents in 1996. This was below the national average (12). Alberta (also with 9 federal government workers per 1,000 people) was the only other province where there were as few federal employees. In the rest of the country, the ratio ranged from 10 in Saskatchewan and Quebec to 28 in Nova Scotia.

Federal government employment in BC remains below the national average



Relative to their populations, Alberta, Saskatchewan, Quebec and BC have always had fewer federal government workers than other parts of the country, and this relationship has been maintained during recent federal government cutbacks. Ontario federal employment figures are relatively high, reflecting the fact that the national capital is located in that province. Per capita employment in Atlantic Canada is boosted by the military presence in Nova Scotia (where there were 13 military employees per 1,000 population, compared to a national average of 3, and 2 in BC), and other federal government administrative activities which are based on the country's east coast. The ratio for federal general government employment in Nova Scotia was 14 per 1,000 people, compared to a national average of 9, and 7 in BC. Newfoundland (12), PEI (20) and New Brunswick (18) all had federal employment ratios well above the national average.

Provincial/local government employment

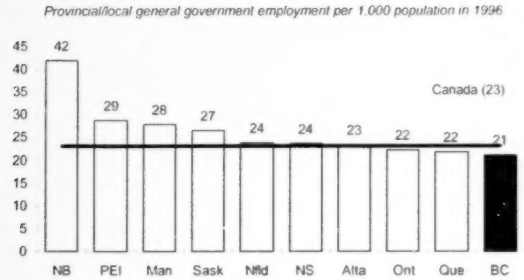
In 1996, there were 42,273 people employed by provincial government ministries, agencies, boards and commissions (the differences between these estimates and government payroll figures are discussed in the appendix to this article). A further 41,778 people were employed by post-secondary institutions, and 81,349 worked in provincially funded health and social service institutions, bringing the size of the province's provincial government sector to 165,399.

Local governments in the province employed 114,350 British Columbians in 1996. Most (75,443) of these people worked for local school boards. Municipal general government employment was 38,907 in 1996.

Relative to its population, BC's provincial government sector has remained virtually unchanged–at or slightly below the national average–since 1981. Including those in the education and health sector, there were 43 provincial government employees per 1,000 population in 1996, compared to 46 in 1981. The Canadian average fell from 46 to 44 during the same period.

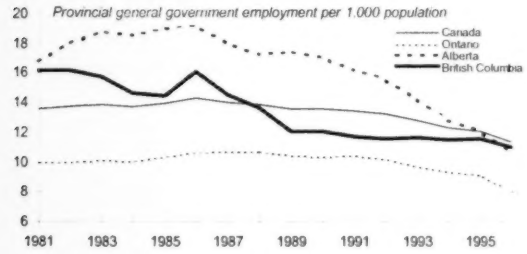
The size of the province's provincial/local general government workforce is comparable with the rest of the country. In 1996, there were 21 provincial/local government workers per 1,000 population–11 provincial government workers and 10 who were employed by local governments in BC. The province had the lowest employment to population ratio in Canada. The national average was 23, and rates in other provinces ranged from 22 in Quebec and Ontario to 42 in New Brunswick.

BC has the lowest provincial/local general government employment ratio in the country



The figures for New Brunswick are somewhat misleading, as public school employees in that province are considered to be employed by the provincial government. Local school board employees are excluded from provincial and local general government employment counts in the rest of the country, and reported separately.

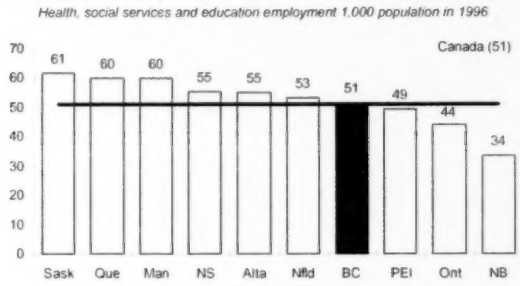
Provincial general government employment has fallen below the national average



The number of people directly employed by the provincial government fell from 16 per 1,000 population in 1981 to 11 per 1,000 in 1996. The Canadian average moved from 14 to 11 during the same period. Ontario (8) was the only province with fewer direct government employees than in BC in 1996. Alberta and Quebec had the same employment to population ratio as BC.

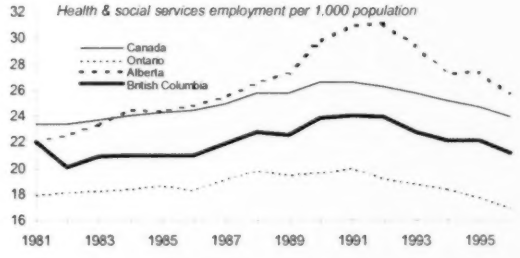
Local general government employment in the province has remained below the national average during the entire period since 1981. There were 10 local general government workers per 1,000 population in 1996–the same as in 1981. The national average was 12, with ratios ranging from a low of 7 in New Brunswick to 14 in Ontario.

Per capita employment in public sector health, social services and education was equal to the national average in 1996



There were 51 employees per 1,000 population in BC's public sector health and education institution. This was equal to the national average. As noted previously, New Brunswick's low ratio reflects the exclusion of public school employees from these figures. In the rest of the country, ratios ranged from a low of 44 in Ontario to a high of 61 in Saskatchewan.

Relative to the population, employment in health and social services has changed very little since 1981

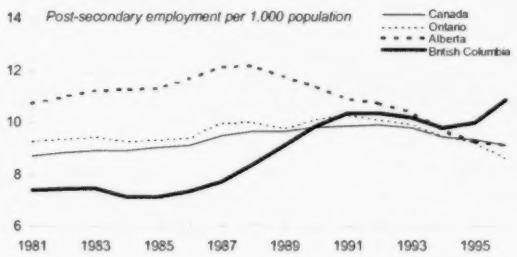


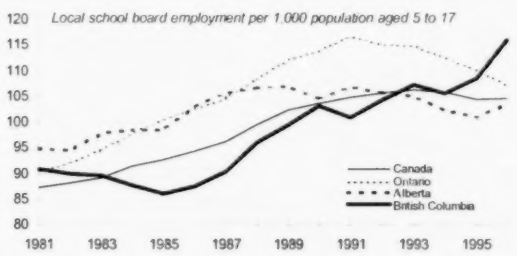
BC's employment to population ratio in the health and social services sector has remained fairly constant during the last decade and a half. In 1981, there were 22 workers per 1,000 population. The ratio was virtually unchanged, at 21, in

1996. Nationally, the ratio was also flat, at 23 in 1981 and 24 in 1996.

In contrast, the number of workers in BC's post-secondary education sector has increased significantly since 1981 and has continued to grow in recent years, despite declines in the rest of the country. Between 1981 and 1996, BC's post-secondary employment to population ratio increased from 7 to 11. The opening of a new university (the University of Northern BC) in 1994 is responsible for some of the increase, but as the figure on the following page illustrates, the trend in BC since the mid-1980s has run counter to that in most other parts of the country.

The number of jobs in the education sector has been growing faster than the population





Employment in municipal school boards has also been growing faster than the province's school age population. When local school board employment is normalized using the number of school-aged children in the province (those between the ages of 5 and 17), the employment to population ratio shows a similar upward trend. It is possible that this increase may represent a substitution away from full-time to part-time employment in the education sector rather than actual employment growth. However, part-time employment is also becoming more prevalent in the health and social services sector.

It is important to note that all of the employment figures quoted in this paper are employment counts which do not differentiate between full-time and part-time workers. The long-term trends must therefore be interpreted carefully, as a move from full-time to part-time employment in one sector or province could result in higher employment counts but little increase in total person-years of employment.

Technical Appendix: Measuring the size of the public sector

The size of the public sector is an issue that is a perennial focus of public attention. Government payroll data is available from the various levels of government. However, due to differences in the degree of provincial and local government involvement in the delivery of goods and services such as health care and education (for which employment statistics are not part of the government reports), it is sometimes difficult to sift through the various pieces of information in order to arrive at an overall estimate of how big a role the public sector plays in the provincial workforce and economy.

Government employment estimates are available from a variety of sources which sometimes give confusing results. Federal, provincial and local governments publish payroll counts; the Labour Force Survey (LFS)–a survey of households–reports on employment in the public administration industry (those directly involved in the day to day operations of government); the Survey of Employment, Earnings and Hours (SEPH)–a survey of employers–produces other estimates of employment in the industry; and finally, there are the public sector employment estimates produced by the Public Institutions Division of Statistics Canada.

Which estimate is the best one to use?

Which estimate of government employment is the best one to use depends on what you are trying to measure. Statistics produced by governments–their own counts of how many employees they have–are

obviously the best figures to use if you are trying to determine exactly how many people are employed doing the day to day work of government in a particular jurisdiction.

For making comparisons between levels of government, or between governments in different jurisdictions, public sector payroll data is not as suitable. This is because different jurisdictions may choose alternate methods of delivering services. For example, government computer support services in one jurisdiction may be provided by ministry employees, while in another jurisdiction the same services could be provided by a crown corporation. In the first case, these employees would show up on the government payroll; in the second, they would be excluded.

Other sources of public administration employment data such as SEPH and the LFS will differ from government payroll figures. One reason for the differences is definitional. For example, provincial government employee reports might include workers in agencies like the Liquor Distribution Branch. These workers would be viewed as part of the retail trade sector in the LFS and SEPH, so they would be included in employee estimates for that industry rather than in public administration. In addition, SEPH and LFS data are based on surveys rather than administrative information, and the estimates of employment by industry will depend to some degree on the accuracy of self-reporting.

With this bewildering array of data on the number of people who actually work for government, it is hardly surprising that there is some confusion about the size of the public sector.

How does Statistics Canada define the Public Sector?

The public sector employment estimates produced by the Public Institutions Division represent an attempt to address these issues and come up with comparable estimates of public sector employment by province. They start by using a standard definition of the public sector and applying that definition to government employment figures for each province.

In these estimates, government employment is defined to include:

- federal, provincial and local government ministries, departments and agencies
- autonomous boards, commissions and funds
- pension plans
- colleges, vocational and trade institutions
- universities
- hospitals and other health and social services
- municipal school boards

In addition to government employment, the public sector also includes federal, provincal and local government business enterprises (crown corporations) including, at the federal level, monetary authorities such as the Bank of Canada.

To put this in context, government payroll data usually covers only the first of these categories (and may exclude some agency data), with additional employment in some–but not all–of the other categories (for example, employment in provincial hospitals such as Riverview Hospital).

Similarly, LFS and SEPH employment estimates would capture only employment in government ministries, departments and agencies.

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Infoline

March 27, 1998

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BC at a glance . . .

POPULATION (thousands)	Oct 1/97	% change on one year ago
BC	3,943.9	1.9
Canada	30,377.8	1.1
GROSS DOMESTIC PRODUCT		% change on
(BC - at market prices - $ millions)	1996	one year ago
Current Dollars	103,631	1.7
Constant (1986) Dollars	74,001	1.0
TRADE ($ millions)		
Manufacturing Shipments (seas. adj.) Jan	2,740	-7.3
Merchandise Exports (raw) Jan	1,858	-18.1
Retail Sales (seasonally adjusted) Jan	2,791	-0.7
CONSUMER PRICE INDEX		% change on
(all items - 1992=100)	Feb '98	one year ago
BC	109.5	-0.1
Canada	108.3	1.0
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Feb '98	one year ago
Labour Force - BC	2,023	1.1
Employed - BC	1,827	-0.1
Unemployed - BC	197	13.8
		Feb '97
Unemployment Rate - BC *(percent)*	9.7	8.6
Unemployment Rate - Canada *(percent)*	8.6	9.7
INTEREST RATES (percent)	Mar 25/98	Mar 26/97
Prime Business Rate	6.50	4.75
Conventional Mortgages - 1 year	6.40	5.20
- 5 year	6.85	7.30
US/CANADA EXCHANGE RATE	Mar 25/98	Mar 26/97
(avg. noon spot rate) Cdn $	1.4100	1.3742
US $ *(reciprocal of above rate)*	0.7092	0.7277
AVERAGE WEEKLY EARNINGS		% change on
(industrial aggregate - dollars)	Jan '98	one year ago
BC	612.78	0.4
Canada	604.17	1.6

SOURCES:
Gross Domestic Product: Statistics Canada, revised by BC STATS
Population, Trade, Prices, Labour Force, Earnings: Statistics Canada
Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

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- Consumer Price Index, February 1998
- Current Statistics, March 1998

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